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Summary of Findings

1. Industry participation in policy development

The Healthy China Action Plan (2019-2030), published in 2019, is one of the most important policy frameworks for health at the national level. In the first chapter, it is stressed that the government should “gradually increase the proportion of the population covered by smoke-free legislation and achieve a nationwide ban on smoking in indoor public places, indoor workplaces and public transport.”

However, it is also clearly stated that “the National Health Commission (NHC) will take the lead, while the Civilization Office of the Central Communist Party Committee (COCCPC) and the State Tobacco Monopoly Administration (STMA) will be responsible according to the division of implementations.” In 2020, as it is continued to be implemented at the local level, the model of responsibilities was replicated.

As for tobacco control policies introduced by the World Health Organization (WHO) Framework Convention on Tobacco Control (FCTC), in 2014, the representatives from the STMA and the China National Tobacco Corporation (CNTC) joined the Sixth Session of the Conference of the Parties (COP) to the WHO FCTC in Moscow, Russia. At COP8, China’s delegation included representatives from an “Inter-Ministerial Coordination Leading Group on the Implementation of the FCTC,” and tobacco representatives were included in the list of the group members.

Policies on cigarette packaging are specifically entrusted to the STMA by the “Law of

the People’s Republic of China on Tobacco Monopoly.” In 2020, the NHC publicly reaffirmed this by claiming that “the policy adjustment and updating regarding the packaging and labeling of tobacco products is to be led by the STMA, the State Administration for Market Regulation (SAMR) and NHC.”

In 2020, the STMA continues to play an important role in the “Inter-Ministerial Leading Group.” The interference of the tobacco industry led to the stalling of the passage of the National Smoke-free law.

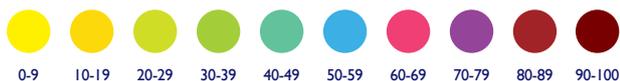
2. Industry CSR activities

In 2020, the tobacco industry played a prominent role in the fight against the COVID-19 pandemic. This included a donation of RMB 100 million to Hubei Province. The tobacco industry’s role as the government’s “cash cow” is becoming more distinctive at this period of time. It can be said that the epidemic has strengthened the tobacco industry’s position as a “pillar of the economy” in China.

At the same time, the tobacco industry continued its high-profile approach to education, poverty alleviation, disaster relief and public donations in 2020, as well as the construction of a “civilised smoking environment,” with local government authorities continuing to make progresses in this area.

3. Benefits to the industry

But currently there is no national-level smoke-free law, and health warnings on tobacco packs remain text-only warnings. In 2020, the main subsidies and incentives still went to the area of tobacco leaf production, mostly benefiting



tobacco farmers. And because of the tobacco industry's donations during the pandemic, the government, both at national and local levels, gave the industry more incentives and credibility through recognition and public thanks.

4. Unnecessary interaction

On January 10, 2020, the National Tobacco Work Conference (2020) was held in Beijing. As usual, Miao Wei, the Minister and the Secretary of the Leading Party Members' Group of the Ministry of Industry and Information Technology (MIIT) attended the meeting and delivered an opening speech. The Ministry of Organization, the MIIT, the Ministry of Finance, and the National Audit Office all participated in the meeting. From an administrative perspective, such specifications of meeting attendance cannot be considered strictly "unnecessary," but do demonstrate that the tobacco industry in China is owned by the government and its development is supported and endorsed by central government departments.

In China it is one of the main obligations for the STMA and the CNTC to conduct raids on smuggling and counterfeit cigarettes, as well as supervise no-sales to minors. To fulfill such duties in 2020, the STMA continues to collaborate with other government departments, especially customs, as well as the Ministry of Public Security and industrial and commercial administration.

In 2020, Zhang Jianmin, the Director of the STMA, visited local governments extensively to talk about (boosting) local economies and tobacco industry development. This further deepens the local relationship with the tobacco industry and the dependence on the tobacco economy.

5. Transparency

The government does not publicly disclose meetings/interactions with the tobacco industry. However, since the tobacco industry is considered part of the government, as a part of the regular administrative interactions, meetings between the STMA and other governmental departments are openly reported.

As indicated previously, in China, tobacco is a protected product, and the state has corresponding laws and regulations to regulate its specific registration, circulation, etc. These laws are, on the one hand, for supervision and, on the other hand, for the development of the tobacco industry.

There is no lobbyist register in China.

6. Conflict of interest

In February 2019, the Dongyang Municipal Commission for Discipline Inspection and Supervision conducted an investigation on Wu Yajun, former secretary of the Leading Party Group and director of the Municipal Tobacco Monopoly Bureau. During the investigation, it was found that Wu Yajun illegally opened and operated three tobacco retail outlets, set up a company in the name of his wife and set up multiple outlets, selling cigarettes with one hand and reselling "cigarette tickets" for profit with the other.

This news indirectly proves that despite the lack of exposure in the Chinese media over the years, the tobacco industry's "familial corruption" is generally recognized by the public. Many bureaucratic public officials will not be opposed to their families and relatives working in the tobacco industry as it provides a great source of stability career-wise.

7. Preventive measures

From the perspective of anti-corruption, there are provisions prohibiting the acceptance of funds or gifts, and it is mainly conducted within the tobacco system (both the government and the companies).

There are no known programs to increase awareness of Article 5.3 among government departments.

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It can be said that the pandemic has positioned the industry more positively with the government. Article 5.3 is not implemented and this state-owned enterprise is not treated like any other tobacco industry.



Recommendations

1. Increase cooperation with the NHC in “health education” and improve the capacity of national tobacco control education and promotion. Also, strengthen inter-ministerial cooperation and establish cooperative relationships with other relevant ministries.
2. In terms of building smoke-free environments, strengthen cooperation with local government agencies, continue to emphasize the need for 100% smoke-free in public places and encourage local governments to avoid falling into the trap of “civilized smoking environment construction.”
3. Increase the weight of communication on the issue of e-cigarettes. Although this report does not include more evidence on e-cigarette topics due to the time interval, e-cigarettes have been a key issue for the STMA for several years, and in this year’s revision of the Tobacco Monopoly Law, e-cigarette regulation was included in the STMA’s remit. Perhaps the regulation of e-cigarettes can be strengthened from a civil perspective, from the perspective of protecting minors, in order to raise the public’s awareness on industry interference.
4. It may be possible to strengthen tobacco control alliances among “global south countries” and try to bypass the populist minefield on this topic by uniting to resist the erosion of international capital on national health, and to strengthen public awareness on the topic of “tobacco industry interference.”